



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

999 18TH STREET - SUITE 300

DENVER, CO 80202-2466

Phone 800-227-8917

<http://www.epa.gov/region08>

Ref: 8ENF-UFO

SEP 19 2005

CERTIFIED MAIL 7003-2260-0002-0331-7356

RETURN RECEIPT REQUESTED

Registered Agent for Newfield Exploration Company
Corporation Service Company
Gateway Tower East, Suite 900
10 East Temple
Salt Lake City, Utah 84133

Re: UNDERGROUND INJECTION
CONTROL PROGRAM (UIC)
Proposed Order and Penalty Complaint
with Notice of Opportunity for Hearing

Dear Registered Agent:

The enclosed document is a Proposed Order and Penalty Complaint with Notice of Opportunity for Hearing ("complaint") for violations of the Safe Drinking Water Act ("SDWA"). Please carefully read the complaint soon, since it describes the rights and responsibilities in this matter with respect to Newfield Production Company, a subsidiary of Newfield Exploration Company ("Newfield") as well as EPA's authority, the factual basis of the violations, and the background for the proposed penalties. Also enclosed is a copy of the Rules of Practice that govern these proceedings, the required Public Notice associated with this complaint and, in case Newfield meets the criteria, an information sheet about the Small Business Regulatory Enforcement Fairness Act.

Newfield is required to take action within 30 calendar days of your receipt of this complaint to avoid the possibility of having a default judgment entered against Newfield that could impose the penalty amount proposed in the complaint.

Whether or not Newfield requests a hearing, we encourage an informal conference with EPA concerning the alleged violations in an effort to negotiate a settlement. Newfield may wish to appear at an informal conference and/or be represented by legal counsel. To arrange for such a conference, Newfield should contact Amy Swanson, Enforcement Attorney, Legal Enforcement Program, at the number provided below. Request for such a conference does not extend the 30 calendar day period during which a request for hearing must be submitted.



Printed on Recycled Paper

Public Notice of EPA's complaint and the opportunity to provide written comments on the complaint is being provided pursuant to section 1423 (c)(3)(B) of the SDWA, 42 U.S.C. § 300h-2(c)(3)(B). Should a hearing be held, any person who comments on the complaint has a right to participate in the hearing.

If Newfield has technical questions relating to this matter, the person most knowledgeable on my staff is Nathan Wiser, UIC Enforcement Team, Technical Enforcement Program, at 1-800-227-8917 ext. 6211 or (303) 312-6211. For all legal questions, the person most knowledgeable on my staff is Amy Swanson at 1-800-227-8917 ext. 6906 or (303) 312-6906. Mr. Wiser and Ms. Swanson can also be reached at the following addresses:

Nathan Wiser (Mail Code 8ENF-UFO)
U.S. EPA Region 8
999 18th Street, Suite 300
Denver, Colorado 80202-2466, or

Amy Swanson (Mail Code 8ENF-L)
Enforcement Attorney
U.S. EPA Region 8
999 18th Street, Suite 300
Denver, Colorado 80202-2466.

We urge Newfield's prompt attention to this matter.

Sincerely,

Michael T. Bisner
for

Carol Rushin
Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

Enclosures:

Proposed Order and Penalty Complaint
with Notice of Opportunity for Hearing
40 C.F.R. Part 22
Public Notice
U.S. EPA Small Business Resources Fact Sheet

cc: Elaine Willie, Environmental Coordinator (with all enclosures)
Ute Indian Tribe
P.O. Box 460
Fort Duchesne, Utah 84026

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**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

Docket No. SDWA-08-2005-0058

2005 SEP 19 AM 9:13

FILED
EPA REGION VIII
HEARING CLERK

In the Matter of:)

Newfield Exploration Company)
a Delaware corporation,)
Respondent.)

**PROPOSED ORDER AND PENALTY
COMPLAINT WITH NOTICE OF
OPPORTUNITY FOR HEARING**

Proceedings under Section 1423(c))
of the Safe Drinking Water Act)
42 U.S.C. 300h-2(c))

INTRODUCTION

1. This civil administrative enforcement action is authorized by Congress in section 1423(c) of the Public Health Service Act, also known as the Safe Drinking Water Act (SDWA or the Act). 42 § U.S.C. 300h-2(c). The Environmental Protection Agency (EPA) regulations authorized by the Act are set out in part 144 of title 40 of the Code of Federal Regulations (40 C.F.R.), and violations of permits or EPA regulations constitute violations of the Act. The rules for this proceeding are the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders and the Revocation, Termination or Suspension of Permits ("Rules of Practice")," 40 C.F.R. part 22, a copy of which is enclosed.
2. The undersigned EPA official has been properly delegated the authority to issue this Proposed Order and Penalty Complaint with Notice of Opportunity for Hearing (complaint).
3. EPA alleges that Newfield Exploration Company (Respondent) has violated the Act and proposes the assessment of a civil penalty and compliance measures, as more fully explained below.

NOTICE OF OPPORTUNITY FOR A HEARING

4. Respondent has the right to a public hearing before an administrative law judge to disagree with any factual allegation made by EPA in the complaint or the appropriateness of the proposed penalty, or to present the grounds for any legal defense it may have.
5. To disagree with the complaint and assert your right to a hearing, Respondent must file a written answer (and one copy) with the Region 8 Hearing Clerk at the following address:

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Region 8 Hearing Clerk
999 18th Street; Suite 300 (8RC)
Denver, Colorado 80202

within 30 calendar days of receiving this complaint. The answer must clearly admit, deny or explain the factual allegations of the complaint, the grounds for any defense, the facts you may dispute, and your specific request for a public hearing. Please see section 22.15 of the Rules of Practice for a complete description of what must be in the answer.

FAILURE TO FILE AN ANSWER AND REQUEST FOR HEARING WITHIN 30 CALENDAR DAYS MAY WAIVE RESPONDENT'S RIGHT TO DISAGREE WITH THE ALLEGATIONS OR PROPOSED PENALTY, AND RESULT IN A DEFAULT JUDGMENT AND ASSESSMENT OF THE PENALTY PROPOSED IN THE COMPLAINT, OR UP TO THE MAXIMUM AUTHORIZED BY THE ACT.

QUICK RESOLUTION

6. Respondent may resolve this proceeding at any time by plugging the East Red Wash #4-6 well referenced in paragraph 10 and paying the penalty amount proposed in the complaint. Such action to make payment need not contain any response to, or admission of, the allegations in the complaint. Such action to make payment constitutes a waiver of Respondent's right to contest the allegations and to appeal the final order. See section 22.18 of the Rules of Practice for a full explanation of the quick resolution process.

SETTLEMENT NEGOTIATIONS

7. EPA encourages discussing whether cases can be settled through informal settlement conferences. If you want to pursue the possibility of settling this matter, or have any other questions, contact Amy Swanson, Enforcement Attorney, at [1-800-227-8917; extension 6906 or 303-312-6906] or at the address identified in paragraph 22 herein. **Please note that calling Ms. Swanson or requesting a settlement conference does NOT delay the running of the 30 day period for filing an answer and requesting a hearing.**

GENERAL ALLEGATIONS

The following general allegations apply to all times relevant to this action, and to each count of this complaint:

8. Pursuant to section 1422 of the Act, 42 U.S.C. § 300h-1, and 40 C.F.R. part 147 subpart TT, section 147.2253, EPA administers the Underground Injection Control (UIC) program for Class II wells in Indian country within the State of Utah. The effective date of the program is November 25, 1988. The program requirements are located at 40 C.F.R. parts 124, 144, 146, 147, and 148.

1 9. Class II underground injection wells under the jurisdiction of the EPA are authorized to
2 operate either under an EPA-issued permit or under a rule. To be eligible to operate
3 under rule-authorization, a UIC well must be a Class II enhanced oil recovery well and
4 must have been such a well at the time the EPA UIC program became effective. The
5 rule-authorization requirements are found in Title 40 of the Code of Federal Regulations
6 (40 CFR), Subpart C (Sections 144.21 through 144.28). All other Class II wells must be
7 authorized by an EPA-issued permit. Enhanced oil recovery wells are wells that inject for
8 the purpose of increasing oil and/or gas production at other nearby production wells.
9

10 10. The two wells subject to this action are Class II enhanced oil recovery wells. Both wells
11 are authorized under permits issued by the EPA. At all times relevant to the violations
12 alleged in this complaint these wells were owned and/or operated by Respondent. The
13 wells are located within the exterior boundary of the Uintah & Ouray Indian Reservation.
14 The specific wells and their locations are:
15

16 East Red Wash #4-6, EPA Permit #UT20653-04224, T8S, R25E, Sec. 6, SW/4, SE/4, and
17 Odekirk #7-36-8-17, EPA Permit #UT20892-04601, T8S, R17E, Sec. 36, SW/4, NE/4.
18

19 The East Red Wash #4-6 well was permitted by EPA to Equitable Resources Energy
20 Company, Balcron Oil Division effective February 18, 1994. This permit was transferred
21 to Inland Resources Inc. on October 15, 1997. The Odekirk #7-36-8-17 well was
22 permitted by EPA to Inland Resources Inc. effective July 25, 2001. In August 2004,
23 Inland Resources Inc. was wholly acquired by Respondent.
24

25 11. The regulations at 40 CFR §146.23(b)(3) and the UIC permit #UT20653-04224 at part
26 III(C)(3) require Respondent to demonstrate mechanical integrity at the East Red Wash
27 #4-6 well at least once every five years. Mechanical integrity is demonstrated when a
28 well is subjected to and passes a mechanical integrity test (MIT) by pressurizing the
29 annulus of a well for a specified amount of time with no significant leak. On May 10,
30 2000, Respondent (then Inland Resources Inc.) tested this well and it failed the test. On
31 June 30, 2004, Respondent (then Inland Resources Inc.) tested this well again and it failed
32 the test. Since May 10, 2000, Respondent has failed to demonstrate mechanical integrity
33 at this well. See Attachment A to this complaint where this violation is summarized and
34 labeled with the letter "A."
35

36 12. After two years' cessation of injection activities, the regulations at Title 40 of the Code of
37 Federal Regulations, Section 144.52(a)(6), and the UIC permit #UT20653-04224 at Part
38 II(E)(3) require the East Red Wash #4-6 injection well owner or operator to plug the well
39 unless the owner or operator provides notice to the EPA and demonstrates that the well
40 will not endanger underground sources of drinking water (USDWs) during the temporary
41 abandonment period. A successful mechanical integrity demonstration is acceptable as a
42 non-endangerment demonstration. The East Red Wash #4-6 well ceased injection on or
43 about May 10, 2000, and has not been used for injection since. Respondent has not
44 demonstrated that this well will not endanger USDWs during the period of temporary
45 abandonment. No successful demonstration of mechanical integrity has occurred at this

well since losing mechanical integrity as referenced in paragraph 11 above. See Attachment A to this complaint where this violation is summarized and labeled with the letter "B."

13. The regulations at 40 CFR §146.23(c) and the UIC permit #UT20653-04224 at part II(D)(4) require Respondent to annually submit a report for the East Red Wash #4-6 well by February 15 of the year following the reporting period. The annual report must contain monthly values of injection pressure, annulus pressure, and flow rate, all from observations made at the wellhead. On April 13, 2005, EPA received the 2004 annual monitoring report. This report was due by February 15, 2005. See Attachment A to this complaint where this violation is summarized and labeled with the letter "C."
14. The regulations at 40 CFR §146.23(a) and the UIC permit #UT20892-04601 at part II(C)(4) require that injection pressure at the Odekirk #7-36-8-17 well shall be limited so as not to cause unwanted fracturing of the underlying geologic formations, which may allow injected fluids to escape from the injection zone into underground sources of drinking water. The UIC permit #UT20892-04601 originally allowed an injection pressure up to 1396 pounds per square inch (psi), measured at the wellhead. On November 4, 2003, this limit was lowered by EPA to 950 psi. In its annual monitoring report for this well in 2004, Respondent reported that it injected at 1020 psi during the month of March 2004. See Attachment A to this complaint where this violation is summarized and labeled with the letter "D."
15. EPA sent Respondent a notice of violation regarding loss of mechanical integrity in a letter dated June 25, 2004. EPA sent Respondent a notice of violation regarding its late monitoring report in a letter dated April 8, 2005. EPA sent Respondent a notice of violation regarding its excess injection pressure in a letter dated May 12, 2005.
16. Respondent transferred ownership of the East Red Wash #4-6 well to P&M Petroleum Management LLC on or about August 5, 2004. EPA has not transferred the permit from Respondent to P&M Petroleum Management LLC because P&M has failed to fulfill its financial responsibility requirements for proper plugging and abandonment of this well and thus does not qualify to be the operator of record. Respondent remains the operator of record.
17. The Respondent is a corporation organized in the State of Delaware and is authorized to do business in the State of Utah.
18. Respondent is a "person" within the meaning of Section 1401(12) of the Act, 42 U.S.C. § 300f(12).
19. The wells penetrate underground sources of drinking water (USDWs) including, but not limited to, groundwater in the Uinta Formation from surface to approximately 1730 feet below surface and in the Green River Formation as deep as approximately 4500 feet below surface.

- 1 20. A summary list of the violations alleged is included as Attachment A to this complaint.

2
3 **COUNT 1**

- 4
5 21. Respondent is in violation of the regulations at 40 CFR §146.23(b)(3) and the UIC permit
6 #UT20653-04224 at part II(C)(3) by failing to demonstrate mechanical integrity at the
7 East Red Wash #4-6 well. The duration of the Respondent's violation is shown in detail
8 in Attachment A, with each such violation labeled with the letter "A."

9
10 **COUNT 2**

- 11
12 22. Respondent is in violation of the regulations at 40 CFR 144.52(a)(6) and the UIC permit
13 at part II(E)(3) by failing to plug and abandon the East Red Wash #4-6 well after ceasing
14 injection activities for more than two years, and for which no demonstration of non-
15 endangerment was made. The duration of the Respondent's violation is shown in detail
16 in Attachment A, with each such violation labeled with the letter "B."

17
18 **COUNT 3**

- 19
20 23. Respondent is in violation of the regulations at 40 CFR §146.23(c) and the UIC permit
21 #UT20653-04224 at part II(D)(4) by failing to submit an annual monitoring report for the
22 East Red Wash #4-6 well by February 15 of the year following the reporting period.
23 The duration of the Respondent's violation is shown in detail in Attachment A, with each
24 such violation labeled with the letter "C."

25
26 **COUNT 4**

- 27
28 24. Respondent is in violation of the regulations at 40 CFR §146.23(a) and the UIC permit
29 #UT20892-04601 at part II(C)(4) by exceeding the maximum authorized injection
30 pressure of the Odekirk #7-36-8-17 well. The duration of the Respondent's violation is
31 shown in detail in Attachment A, with each such violation labeled with the letter "D."

32
33
34 **PROPOSED ORDER WITH ADMINISTRATIVE CIVIL PENALTY**

- 35
36 25. For violations of the Act that occurred prior to March 16, 2004, the Act, as amended,
37 authorizes the assessment of a civil penalty of up to \$27,500.00 per day. For violations of
38 the Act that occurred on or after March 16, 2004, the Act, as amended, authorizes the
39 assessment of a civil penalty of up to \$32,500.00 per day, 42 U.S.C. § 300h-2(b). The
40 Act requires EPA to take into account the following factors in assessing a civil penalty:
41 the nature, circumstances, extent and gravity of the violations; any economic benefit or
42 savings gained resulting from the violations; Respondent's history of such violations;
43 Respondent's culpability for the violations; Respondent's good-faith efforts to comply
44 with applicable requirements; the economic impact of the penalty on the Respondent; and
45 other factors that justice may require. 42 U.S.C. § 300h-2(c)(4)(B).

- 1 26. In light of the statutory factors and the specific facts of this case, EPA proposes that the
2 Respondent be ordered to return the East Red Wash #4-6 well to compliance and
3 pay a penalty of \$87,670.00 (eighty-seven thousand, six hundred seventy dollars) for
4 the violations alleged above, as explained below:
5

6 Nature, Circumstances, Extent, and Gravity of Violations
7

8 For the East Red Wash #4-6 well, Respondent had the ability and means to comply with
9 by plugging and abandoning or restoring mechanical integrity in a manner to prevent
10 movement of fluids to a USDW that may endanger the health of persons. Respondent, as
11 owner and/or operator of the East Red Wash #4-6 well for at least four years had access
12 to that well. Respondent could have, at any time during its ownership, repaired the East
13 Red Wash #4-6 well or plugged it. A well lacking mechanical integrity is a serious
14 violation because such wells can serve as a vertical conduit for movement of fluids into
15 or between USDWs. Respondent also had control over its ability to timely report for this
16 well. For the Odekirk #7-36-8-17 well, Respondent has had complete operational control
17 over the well and could have prevented injection over the maximum allowable limit.
18 Injection over the maximum allowable pressure limit can lead to injected fluids leaving
19 the designated injection zone and entering USDWs.
20

21 Prior Compliance History
22

23 This complaint is the third enforcement action EPA Region 8 has issued to Respondent
24 (as its predecessor company Inland Resources Inc.) requiring compliance with the
25 applicable UIC regulations. Each previous enforcement action also included counts of
26 injection pressure violations.
27

28 Good-Faith Efforts to Comply
29

30 Respondent appears to have made no effort to restore mechanical integrity to or plug the
31 East Red Wash #4-6 well. Respondent did respond to EPA's May 12, 2005, letter
32 regarding exceeding the maximum authorized injection pressure at the Odekirk 7-36-8-17
33 well by stating it posted a new maximum injection pressure at the well and conducted a
34 meeting with employees.
35

36 Degree of Culpability
37

38 Respondent is a large independent oil company with a net worth of several hundred
39 million dollars, employing approximately 640 people, with operations in several different
40 states and countries. It should have been aware of all UIC requirements when it acquired
41 the Uinta Basin assets from Inland Resources Inc. in 2004, particularly since Inland has
42 twice before been named a Respondent in a formal UIC enforcement action.
43 Furthermore, Respondent or its predecessor Inland, received notices of non-compliance
44 about these specific violations in 2004 and 2005.
45

1 Economic Benefit

2
3 An economic benefit was experienced by Respondent for its failure to plug and abandon
4 the East Red Wash #4-6 well. The delayed cost of compliance is estimated to be
5 \$8,467.00.

6
7 Ability to Pay

8
9 EPA did not reduce the proposed penalty due to this factor, but will consider any new
10 information Respondent may present regarding Respondent's ability to pay the penalty
11 proposed in this complaint.

12
13 Other Matters that Justice may Require

14
15 A separate enforcement action is being taken against P&M Petroleum Management LLC
16 concurrently regarding P&M's failure to establish financial responsibility to adequately
17 plug and abandon the wells it acquired from Respondent.

- 18
19 27. Respondent's payment of the penalty shall be made by money order or certified check
20 made payable to "Treasurer, United States of America" and mailed to the following
21 address:

22 EPA - Region 8
23 Regional Hearing Clerk
24 P.O. Box 360859
25 Pittsburgh, Pennsylvania 15251.

26
27
28 A copy of said check shall be mailed to the following address:

29 Amy Swanson (8ENF-L)
30 Enforcement Attorney
31 U.S. EPA - Region 8
32 999 18th Street, Suite 300
33 Denver, Colorado 80202-2466.

- 34
35
36 28. The provisions of this complaint shall apply to and be binding upon Respondent, its
37 officers, directors, agents, servants, employees, and successors or assigns.
38
39 29. As required by the Act, prior to the assessment of a civil penalty, EPA will provide public
40 notice of the proposed penalty, and reasonable opportunity for people to comment on the
41 matter, and present evidence in the event a hearing is held. 42 U.S.C. § 300h-2(c)(3)(B).
42
43 30. The administrative law judge is not bound by EPA's penalty policy or the penalty
44 proposed by EPA, and may assess a penalty above the proposed amount, up to either

1 \$27,500.00 or \$32,500.00, per day for each violation, as authorized in the statute, as
2 amended.
3

- 4 31. This complaint does not constitute a waiver, suspension, or modification of the
5 requirements of any applicable provision of the Act or the UIC regulations implementing
6 the Act, which remain in full force and effect. Issuance of this complaint is not an
7 election by the EPA to forego any civil or any criminal action otherwise authorized under
8 the Act.
9

10
11 Issued this 19th day of September, 2005.
12

13 Michael T. Reiner for
14 Carol Rushin
15 Assistant Regional Administrator
16 Office of Enforcement, Compliance,
17 and Environmental Justice
18 U.S. EPA, Region 8
19 999 18th Street, Suite 300
20 Denver, CO 80202-2466
21

ATTACHMENT A

		Newfield Exploration Company			
Well Name	EPA ID No.	Type of Violation	Date Violation Began	Date Violation Ended	Violation duration in days
East Red Wash #4-6	UT20653-04224	A. Fail to demonstrate mechanical integrity	5/10/2000	5/10/2002	730
East Red Wash #4-6	UT20653-04224	B. Fail to P&A	5/10/2002	9/30/2005	1239
East Red Wash #4-6	UT20653-04224	C. Fail to submit monitoring report	2/15/2005	4/13/2005	57
Odekirk #7-36-8-17	UT20892-04601	D. Excess injection pressure	3/1/2004	3/31/2004	30
				Note: The end date of 9/30/05 is estimated by EPA, since this violation is on-going when the Complaint is issued.	



U. S. EPA Small Business Resources

If you own a small business, the United States Environmental Protection Agency (EPA) offers a variety of compliance assistance and tools to assist you in complying with federal and state environmental laws. These resources can help you understand your environmental obligations, improve compliance and find cost-effective ways to comply through the use of pollution prevention and other innovative technologies.

Hotlines, Helplines and Clearinghouses

EPA sponsors approximately 89 free hotlines and clearinghouses that provide convenient assistance regarding environmental requirements.

The National Environmental Compliance Assistance Clearinghouse provides quick access to compliance assistance tools, contacts, and planned activities from the U.S. EPA, states, and other compliance assistance providers: <http://www.epa.gov/clearinghouse>

Pollution Prevention Clearinghouse
<http://www.epa.gov/opptintr/library/ppicindex.htm>

EPA's Small Business Ombudsman Hotline can provide a list of all the hot lines and assist in determining the hotline best meeting your needs:
(800) 368-5888

Emergency Planning and Community Right-To-Know Act
(800) 424-9346

National Response Center (to report oil and hazardous substance spills)
(800) 424-8802

Toxics Substances and Asbestos Information
(202) 554-1404

Safe Drinking Water
(800) 426-4791

Stratospheric Ozone and Refrigerants Information
(800) 296-1996

Clean Air Technology Center
(919) 541-0800

Wetlands Helpline
(800) 832-7828

EPA Websites

EPA has several Internet sites that provide useful compliance assistance information and materials for small businesses. If you don't have access to the Internet at your business, many public libraries provide access to the Internet at minimal or no cost.

EPA's Home Page
<http://www.epa.gov>

Small Business Assistance Program
<http://www.epa.gov/ttn/sbap>

Office of Enforcement and Compliance Assurance
<http://www.epa.gov/compliance>

Compliance Assistance Home Page
<http://www.epa.gov/compliance/assistance>

Office of Regulatory Enforcement
<http://www.epa.gov/compliance/civil/index.html>

Office of Site Remediation Enforcement
<http://www.epa.gov/compliance/cleanup>

Innovative Programs for Environmental Performance
<http://www.epa.gov/partners>

Small Business Ombudsman
www.sba.gov/ombudsman



Federal Register

Friday
July 23, 1999

Part V

Environmental Protection Agency

40 CFR Part 22

**Consolidated Rules of Practice Governing
the Administrative Assessment of Civil
Penalties, Issuance of Compliance or
Corrective Action Orders, and the
Revocation, Termination or Suspension of
Permits; Final Rule**

**U.S. ENVIRONMENTAL PROTECTION AGENCY
PUBLIC NOTICE
OPPORTUNITY FOR PUBLIC COMMENT ON
PROPOSED ORDER AND PENALTY COMPLAINT
WITH NOTICE OF OPPORTUNITY FOR HEARING
AGAINST
NEWFIELD EXPLORATION COMPANY
FOR FAILURE TO COMPLY WITH
UNDERGROUND INJECTION CONTROL REGULATIONS**

PURPOSE OF PUBLIC NOTICE

The purpose of this notice is to solicit written comments on an Proposed Order and Penalty Complaint with Notice of Opportunity for Hearing (complaint) [Docket No. SDWA-08-2005-0058 that Region 8 of the United States Environmental Protection Agency (EPA) proposes to issue against Newfield Exploration Company, whose corporate headquarters office is located at 363 North Sam Houston Parkway East, Suite 2020, Houston, Texas 77060. The complaint alleges violations of the Underground Injection Control (UIC) regulations and proposes remedies and monetary penalties for the alleged violations. The complaint is issued under the UIC provisions of the Safe Drinking Water Act (SDWA) and the Act's implementing regulations. These regulations govern the injection of fluids that may endanger an underground source of drinking water (USDW).

The EPA desires to receive written comments from any interested party having knowledge of the alleged violations or who can provide any information useful to ensure that the proposed remedies and penalties are appropriate. EPA will review any comments received on the complaint, and will thereafter determine whether to modify or withdraw the complaint or whether to modify the proposed penalty and/or compliance requirements.

BACKGROUND

Part C of the SDWA requires the EPA to regulate underground injection of fluid through wells to assure that underground sources of drinking water (USDW) are not endangered. Section 1421 of the SDWA requires EPA to administer UIC programs in States or on Indian Lands that do not have approved State UIC programs. Regulation of the UIC Class II Program has not been delegated to the Ute Tribe; therefore, EPA administers the program in accordance with title 40 of the Code of Federal Regulations (40 C.F.R.), Parts 124, 144, 146, 147, and 148.

The two Class II injection wells which are the subject of this complaint are owned and/or operated by Newfield Exploration Company. One is located at Township 8 South, Range 25 East, Section 6, SW/4, SE/4 and one is located at Township 8 South, Range 17 East, Section 36, SW/4, NE/4, both in Uintah County. A Class II injection well, pursuant to 40 C.F.R. 144.6 and

146.5, is a well that injects fluids (a) brought to the surface in connection with natural gas storage operations, or conventional oil or natural gas production, (b) for enhanced recovery of oil or natural gas, or (c) for the storage of hydrocarbons which are liquid at standard pressure and temperature. The wells subject to this complaint are enhanced oil recovery wells, injecting into the Green River Formation for the purpose of enhancing oil at nearby oil production wells. These wells are located within the exterior boundary of the Uintah & Ouray Indian Reservation.

The complaint alleges that Newfield Exploration Company is in violation of UIC regulations and is subject to appropriate penalties for failing to maintain mechanical integrity and failing to plug one well, and for exceeding the permissible injection pressure limit at one well. The complaint proposes that EPA assess an administrative civil penalty in the amount eighty-seven thousand, six hundred seventy dollars (\$87,670.00) and that Newfield plug or repair one well.

PUBLIC COMMENTS

Written comments on the complaint are encouraged and will be accepted at the address listed below for a period of thirty (30) days after the publication of this notice. Written comments submitted by the public as well as information submitted by Newfield Exploration Company will be available for public review as part of the administrative record, subject to the provisions of law restricting the disclosure of confidential information. Newfield Exploration Company may request a hearing. Any person submitting written comments will be notified of and has a right to participate in such a hearing. The complaint and the administrative record are available for review between 9:00 a.m. and 4:00 p.m. at the address listed below. It is recommended that those wishing to view the administrative record call Amy Swanson, Enforcement Attorney, Legal Enforcement Program, EPA Region 8, at (303) 312-6906 before visiting the EPA Region 8 offices.

Please submit written comments to:

Tina Artemis (8RC)
Regional Hearing Clerk
U.S. EPA, Region 8
999 18th Street, Suite 500
Denver, Colorado 80202-2466.

A copy of the complaint will also be available for public review Monday-Thursday between 8 a.m. and 4 p.m. at the Ute Indian Tribal Environmental Program office, located in Fort Duchesne, Utah. It is recommended that you contact Elaine Willie, Environmental Coordinator of the Ute Indian Tribe, prior to visiting. She can be reached at (435) 722-9910. About a week after EPA sends its complaint to Newfield Exploration Company, the complaint can also be viewed on the following EPA webpage: www.epa.gov/Region8/compliance/rhc.html.

Any person interested in receiving their own copy of this or any future public notice of a UIC administrative action can call Nathan Wiser in the UIC program, EPA Region 8, at (303) 312-6211.

THE DECISION

EPA will review and consider all public comments received on the complaint and will thereafter determine whether to modify or withdraw the complaint or whether to modify the proposed penalty and/or compliance requirements. If the complaint is revised, copies shall be provided to all parties and to all members of the public who have commented.

Date of Publication

Elisabeth Evans

Elisabeth Evans, Director
Technical Enforcement Program
Office of Enforcement, Compliance, and
Environmental Justice
U.S. EPA, Region 8
999 18th Street, Suite 300
Denver, CO 80202-3466